

FISCAL NOTE

HB 2938 - SB 3095

February 18, 2008

SUMMARY OF BILL: Requires 25 percent of the total appropriation for essential access hospital (EAH) payments be distributed to rural hospitals.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$16,034,500

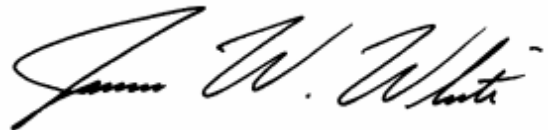
Other Fiscal Impact – Decrease Federal Expenditures - \$16,034,500

Assumptions:

- Currently, the EAH payments are budgeted at \$100,000,000. Of this amount, 64.138 percent is federally funded.
- Twenty-five percent, or \$25,000,000, of EAH payments being provided to rural hospitals is not included in the state plan which is approved by the Centers for Medicare and Medicaid Services (CMS).
- According to the Bureau of TennCare, the state will no longer receive federal matching funds on the \$25,000,000 resulting in a shift from federal expenditures to state expenditures of \$16,034,500 (\$25,000,000 x 64.138%).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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